able to lay hands on the fradulent exporter who have grossly misused the Scheme and defrauded Government exchequer of nearly Rs. 3000 Crores; and

(e) if not the reasons therefor alongwith the reasons for delaying the corrective measures in this regard?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) and (c) Value Based Advance Licensing Scheme is a new concept introduced in the Export and Import Policy, 1992—97 with effect from 1.4.1992. Under this Scheme, licences are issued for a stated value, specifying only the items of import without indicating their individual quantities or values, thereby enabling the exporters to import one or more items, except the sensitive items, to the full value of the licence without any quantitative restrictions. The underlying idea was to" free exporters from unnecessary incovenience with the Governemnt agencies by being required to establish a nexus of the export product to the imported inputs to the last grammage. Another underlying idea was to enable exporters to source their imports in desired quantities on more competitive rates as compared to meagre and uneconomic quantities allowed earlier under Quantity Based Licences. Yet another factor in formulating the Scheme was that the exporter should be given some compensation for the losses suffered on account of withdrawal of direct subsidies like CCS and REP licences. These objectives have by and large been achieved. Though it is not possible to indicate the exact increase in exports on account of VABAL, the analysis has shown that there has been an appreciable increase in exports in respect of products which have used VABAL facility.

(d) and (e) The Directorate General of Revenue Intelligence have investigated some cases involving the misuse of this Scheme. A list of these cases has been given in answer to Rajya Sabha Unstarred Question No. 55 dated 22nd February, 1994. Corrective measures have also been taken by the Government by adding a number of additional items in the sensitive list on 14.9.1993 and subjecting Value Based Licences issued prior to 14.9.1993 to the limitations of the Sensitive List as presently notified.

Withdrawal of International Price Reimbursement Scheme

*67. DR. SANJAYA SINH:
SHRI INDER KUMAR GUJRAL:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that International Price Reimbursement Scheme for Engineering goods exporters is likely to be withdrawn w.e.f. 1.4.94;

(b) whether it is also a fact that an announcement was made by the Commerce Minister to the effect that the said scheme would continue till March 31, 1995; and

(c) if so, the circumstances under which the scheme has to be withdrawn and what is the reaction of Chember of Commerce in this regard?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c) The International Price Reimbursement Scheme (IPRS) has been withdrawn for exports effected after 1.4.1994. It had been this Ministry's endeavour to phase out the scheme over a longer period extending upto 31.3.1994. However, this was not possible as no viable mechanism to finance the present Scheme beyond 1.4.94 could be evolved. While apprehension has been expressed that exports may be adversely affected due to the withdrawal of the Scheme, Government is taking all possible measures to minimise such an adverse effect.